# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

STARRED QUESTION NO:367
ANSWERED ON:14.12.2001
MISUSE OF VALAUE BASED ADVANCE LICENCE SCHEME
SHEELA GAUTAM;SHIVRAJ SINGH CHOUHAN

**Will the Minister of FINANCE be pleased to state:**

(a)whether the Government have received complaints in regard to the misuse of value based advance licence under the Tax Relief Scheme by the exporters resulting in revenue loss of crores of rupees;

(b)if so, whether the Directorate of Revenue Intelligence have detected several cases in the regard

(c)if so, the details thereof,;

(d)the action taken against such exportes;

(e)whether the Government propose to closed his scheme in view of the misuse of the same by the exporters ; and

(f)if not, the action being taken by the Government to tackle the situation ?

## Answer

MINISER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL )

(a),(b),(c),(d),(e) & (f) A statement is annexed .

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (F) OF LOK SABHA STARRED QUESTION NO.367 TO BE ANSWERED ON 14 TH DECEMBER,2001.

(a) to (f) VBAL (Value Based Advance Licensing) Schemewas introduced in April 1992 and was in operation upto January 1997. During operation of VBAL Scheme, misuse / fraud came to thenotice of the Government resulting in scrapping of the Scheme after January 1997. Details of cases detected by the Directorate of Revenue Intelligenceunder VBAL Scheme during the years 1995-96 to 1997-98 are enclosed as Annexure - I . As regards action taken against the offenders in all the cases departmental adjudication proceedings were initiated for confirmatin of the duty demand and imposition of penalty. In cases of outright mis- declaration of value of import and export goods and diversion of imported goods in the domestic market in contravention of the scheme concerned person were also arrested and prosecutions launched. In some cases, persons were also detained under COFEPOSA.

Details of Value Based Advance Licence Cases Detected by Directed of RevenueIntelligence During the Period from 995-96 to 1997 -98

| year | No.of cases | Duty involved (Rs.in Crores) | No.of Persons Arrested |
|---|---|---|---|
| 1995-96 | 40 | 221.31 | 04 |
| 1996-97 | 27 | 62.45 | 07 |
| 1997-98 | 28 | 54.82 | 03 |